

# Foreign Investment and its Coherent Relationship with Stock Market Returns: A Cross-Country Study

Avik Ghosh<sup>1</sup>, Suman Sourav<sup>2</sup>

<sup>1</sup>CMA, The Institute of Cost and Management Accountants of India, Sudder Street, Kolkata, West Bengal, India

<sup>2</sup>MBA, Indian Institute of Management, Prabandh Shikar, Indore, Madhya Pradesh, India

## ABSTRACT

The research is aimed at finding relationship between two key indicators of identifying the health of any economy namely status of foreign investment and stock market returns. The stock exchange return may be indicated by both benchmark index and market cap. It has been observed that these two go hand in hand with almost perfectly positive correlation. Subsequently the relationship between FDI investment and benchmark stock exchange has been tested in the context of two economies- India and Brazil, which are predominantly having strong potential to attract considerable amount of foreign investment. Vector autoregression model (VAR) has been used to identify the relationship followed by lag order selection and identification of lag length. The bidirectional causality has been tested followed by identifying the variables as block exogenous. Impulse and variance decomposition tests have proved the importance of shock of exogenous factors onto the variables. A detailed case study has been performed for India, where Cointegration test significantly concluded strong interdependence between FDI (equity investment), ECB (debt investment) and benchmark stock index (NIFTY 500). The research has been concluded by developing a forecasting model for the benchmark index based on the values of FDI and its own values with first and second lag orders.

**JEL Classification:** C53, C55, G17, G32

**Keywords:** FDI, Benchmark Stock Index, Relationship between FDI and NIFTY, FDI and BOVESPA, VAR Model, Cointegration Test, Granger Causality Test, Block Exogeneity Test, Impulse test, Variance Decomposition

## 1. INTRODUCTION

“Investment in knowledge pays the best interest” -once said by Benjamin Franklin, one of the founders of United States, is still having considerable significance in the present age of globalization. Foreign Direct Investment (FDI), a type of Investment in capital instrument as defined under FEMA regulation for India, is an investment where a person resident outside India makes an investment in an unlisted or listed firm. With the inception of Liberalization, Privatization and Globalization post 1991, FDI wave have brought in strong flow of Investment, which paved the way for development of human capital and economic stimulation.

Regardless of the stage of development, foreign capital is equally important for developed as well as developing countries. A developed country is able to sustain its growth momentum due to sustainable inflow of foreign capital whereas developing countries get the much needed financial, economic and social thrust due to foreign capital inflows. As per UNCTAD report India had remained one of the top 10 destinations for FDI in 2017 and 2018 with inflow of 40 and 42 billion USD respectively (Figure 1). With the gradual improvement in India's rank in ease of doing business report published by World Bank, India could be one of the favorite destinations of FDI inflows.

**How to cite this paper:** Avik Ghosh | Suman Sourav "Foreign Investment and its Coherent Relationship with Stock Market Returns: A Cross-Country Study"

Published in International Journal of Trend in Scientific Research and Development (ijtsrd), ISSN: 2456-6470, Volume-4 | Issue-2, February 2020, pp.265-272, URL: [www.ijtsrd.com/papers/ijtsrd29965.pdf](http://www.ijtsrd.com/papers/ijtsrd29965.pdf)



IJTSRD29965

Copyright © 2019 by author(s) and International Journal of Trend in Scientific Research and Development Journal. This is an Open Access article distributed under the terms of the Creative Commons Attribution License (CC BY 4.0) (<http://creativecommons.org/licenses/by/4.0>)



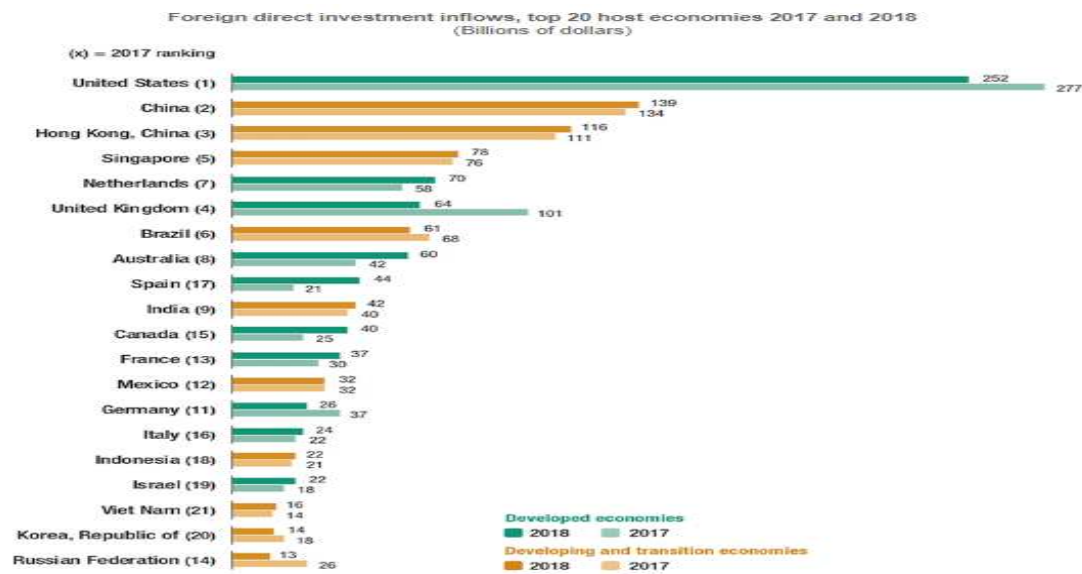


Figure 1: FDI Inflows, top 20 host economies

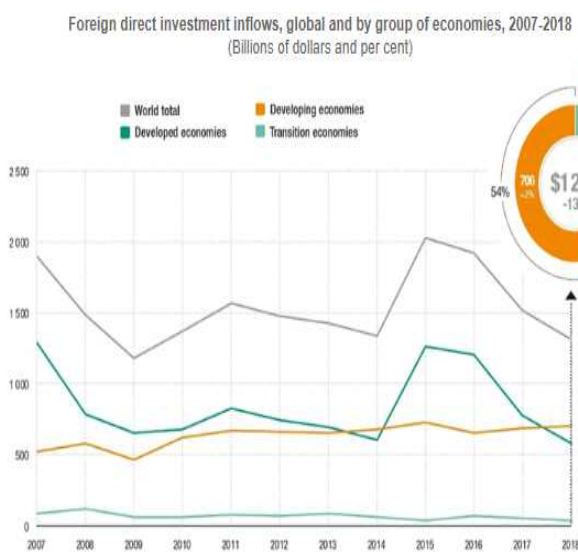


Figure2: FDI Inflows in varied economies

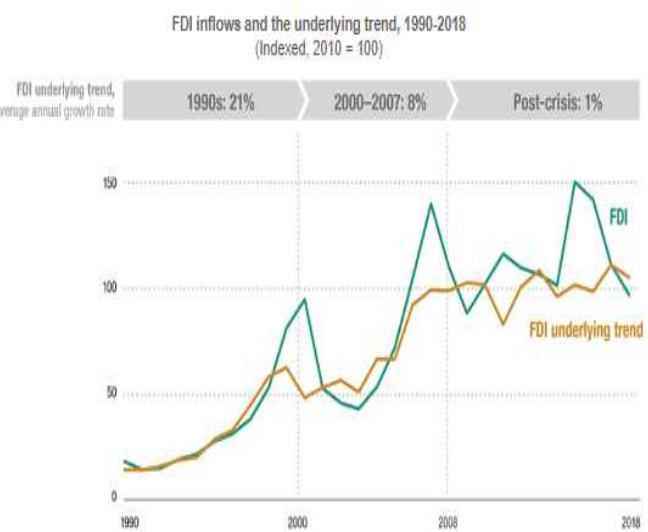


Figure3: FDI Inflows and underlying trend

Another variable under study is external commercial borrowing, which is money received by domestic firms from external sources in terms of loans, buyers credit, supplier credit and convertible instrument by the domestic companies. ECB usually has a minimum average maturity of 3 years. Due to interest differential, it helps in reducing the cost of borrowing for the domestic firm for economies with higher interest rate regime, which further impact the profitability of the firm in long terms, given the fact that variable like exchange rate is stable. Data from the government sources point out the fact that ECB inflow in India has witnessed a jump of 45 % to \$42 billion in the financial year 2018-19.

Stock market is considered as one of the distinguishing indicators of economy which prices the future expectations of macroeconomic variables of an economy. In India, stock market is represented by NSE and BSE index. NSE 50 that is fifty 50 had emerged as largest single financial index in India. Various studies in the past have been performed to analyze the impact of macroeconomic variables like GDP, inflation and exchange rates on stock market. Further, a number of conceptual and empirical researches have been undergone, that prove the very fact of FDI playing a vital role in the economic growth, which further sustains the development and growth of stock market. Foreign capital helps in improving the diversification in the market, which further reduces the systematic risk (beta) of the market. Foreign capital improves the turnover / liquidity of the market. Further, it increases the efficiency of stock market as evidenced from the fact that India's Nifty emerged as 11th largest index in the world with total market cap exceeding \$ 2.3 trillion (as on April 2018). Foreign capital acts as a signaling tool to participants of financial market, both in abroad and in India.

Not much has been researched to analyze the joint impact of ECB and FDI on stock market. In this paper we have done the analysis for India as a case study. The same can not only be replicated, but also significantly emulated in other EMDCs.

## 2. Previous Research

Demirguc-Kunt and Levine (1996) have analyzed the relationship between market capitalization and flow of equity investment in emerging markets from 1985 to 1994. Garcia and Liu (1999) had used data of 15 developing and developed countries from 1980 to 1995 to examine the impact of macroeconomic variables on the stock market growth. They found that saving rate, real income and developed financial intermediary are important variables for the development of stock market.

Rao et al.(1999) had examined the importance of foreign portfolio investments and its impacts in the Indian Stock market from 1995 to 1999. This paper had suggested that foreign investment helps in widening the investor base along with improvement in the regulatory system. Kumar et al. (2002) had used the granger causality test to examine the relationship between foreign inflows and market index. Yartey and Adjasi (2007) had examined the impact of stock market development and its relationship with steps taken by government in terms of improvement in legal and institutional framework.

Pandey et al.(2009) had revealed a significant correlation between Sensex and FII inflows. Jayachandran and Seilan (2010) had investigated the relationship between FDI, economic growth and trade from 1997 to 2007. They had suggested long run equilibrium between these three variables using co-integration test analysis. Kumar and Devi et al.(2012) have used statistical analysis and they found significant relationship between FDI, FII and Sensex from 2001 to 2012. This study had pointed out moderate correlation between FDI and Sensex. Gupta, Kalra and Bagga et al.(2012) have found that a approx. 50% variance in Sensex could be explained by foreign direct investment. Authors have used multiple regression methodologies to find the relationship between these variables.

Pekarskiene et al.(2015) had analyzed the impact of FDI on CIS countries in European region. Authors have stated that FDI inflows had significant impact in the integration of individual countries with the world. They have also examined the impact of FDI inflows on GDP growth rate.

### 3. Presentation of data and explanation

As stated earlier about the motive of the paper and the research work, it is understood that we aimed at establishing relationship between the parameters in discussion namely foreign investments and the impact on stock market. The EMDCs, having proved themselves favourable destinations for investment, attracted plenty of well-directed focus towards their potentially growth-oriented financial market. This resulted in inflow of investment both in Equity (through Foreign Direct Investment) and in debt (through External Commercial Borrowings). These countries have been instrumental in changing the portfolio investment scenario too. While analysing the impact study and figuring out correlation relationship, we took resort to the two highly impacted nations- India and Brazil.

#### 3.1. Cross country correlation analysis

Sample (adjusted): 4 180 Included observations: 177 after adjustments Standard errors in ( ) & t-statistics in [ ]			Sample (adjusted): 4 242 Included observations: 239 after adjustments Standard errors in ( ) & t-statistics in [ ]		
	RFDI	RNIFTY		RFDI	RBOV
RFDI(-1)	-0.598143 (0.07442) [-8.03695]	-0.000939 (0.01025) [-0.09167]	RFDI(-1)	-0.549839 (0.06084) [-9.03748]	0.008642 (0.00971) [0.88977]
RFDI(-2)	-0.274923 (0.07511) [-3.66034]	0.001262 (0.01034) [0.12205]	RFDI(-2)	-0.357242 (0.06105) [-5.85137]	-0.012686 (0.00975) [-1.30147]
RNIFTY(-1)	0.497049 (0.55882) [0.88946]	0.102348 (0.07694) [1.33022]	RBOV(-1)	0.494600 (0.41124) [1.20271]	0.021794 (0.06565) [0.33195]
RNIFTY(-2)	0.116287 (0.55989) [0.20770]	-0.063647 (0.07709) [-0.82564]	RBOV(-2)	-0.243775 (0.41059) [-0.59372]	-0.022370 (0.06555) [-0.34127]
C	-0.026365 (0.03783) [-0.69685]	-0.009759 (0.00521) [-1.87334]	C	-0.017923 (0.03705) [-0.48377]	-0.010744 (0.00591) [-1.81644]
R-squared	0.273160	0.013140	R-squared	0.277059	0.017306
Adj. R-squared	0.256257	-0.009810	Adj. R-squared	0.264701	0.000508
Sum sq. resids	42.04225	0.796976	Sum sq. resids	74.20190	1.891247
S.E. equation	0.494400	0.068070	S.E. equation	0.563118	0.089901
F-statistic	16.16021	0.572539	F-statistic	22.41952	1.030257
Log likelihood	-123.9356	227.0204	Log likelihood	-199.3503	239.1613
Akaike AIC	1.456899	-2.508706	Akaike AIC	1.710044	-1.959509
Schwarz SC	1.546621	-2.418984	Schwarz SC	1.782774	-1.886780
Mean dependent	-0.020741	-0.010143	Mean dependent	-0.011329	-0.010691
S.D. dependent	0.573281	0.067739	S.D. dependent	0.656701	0.089924
Determinant resid covariance (dof adj.)		0.001112	Determinant resid covariance (dof adj.)		0.002553
Determinant resid covariance		0.001050	Determinant resid covariance		0.002447
Log likelihood		104.7247	Log likelihood		40.29468
Akaike information criterion		-1.070335	Akaike information criterion		-0.253512
Schwarz criterion		-0.890892	Schwarz criterion		-0.108053
Number of coefficients		10	Number of coefficients		10

**Figure4: VAR Model: Relationship between FDI and Benchmark Stock Exchange- NIFTY 500 for India (RNIFTY), BOVIPA for Brazil (RBOV)**

The outcome of the Vector autoregression (VAR) modeling was extremely significant for both India and Brazil where a strong relationship with both the lag orders 1&2 of FDI could be established at 2% significant level (Figure 4). This leads us to further test the lag orders. While establishing the significant lag orders, all the relevant criteria namely Akaike information, Schwarz information and Hannan-Quinn information guided us towards identical lag orders (Figure 5).

**RFDI and RNIFTY**

VAR Lag Order Selection Criteria  
Endogenous variables: RFDI RNIFTY  
Exogenous variables: C  
Date: 01/15/20 Time: 12:54  
Sample: 1 180  
Included observations: 171

Lag	LogL	LR	FPE	AIC	SC	HQ
0	69.31332	NA	0.001560	-0.787290	-0.750546	-0.772381
1	91.43998	43.47695	0.001262	-0.999298	-0.889064*	-0.954570
2	98.33994	13.39641*	0.001220*	-1.033216*	-0.849493	-0.958669*
3	101.8967	6.822415	0.001226	-1.028032	-0.770820	-0.923666
4	104.7621	5.429145	0.001243	-1.014762	-0.684060	-0.880577
5	106.6519	3.536501	0.001274	-0.990081	-0.585891	-0.826078
6	109.0583	4.446858	0.001298	-0.971442	-0.493762	-0.777620
7	111.3760	4.228798	0.001325	-0.951766	-0.400597	-0.728125
8	112.3825	1.812869	0.001372	-0.916755	-0.292096	-0.663295

**RFDI and RBOV**

VAR Lag Order Selection Criteria  
Endogenous variables: RFDI RBOV  
Exogenous variables: C  
Date: 01/15/20 Time: 13:22  
Sample: 1 242  
Included observations: 233

Lag	LogL	LR	FPE	AIC	SC	HQ
0	-3.630394	NA	0.003598	0.048330	0.077952	0.060275
1	18.67785	44.04203	0.003075	-0.108823	-0.019955	-0.072987
2	35.64296	33.20210	0.002751	-0.220111	-0.071998	-0.160385
3	54.94334	37.44107	0.002412	-0.351445	-0.144086*	-0.267829
4	62.12100	13.80084	0.002348	-0.378721	-0.112117	-0.271215
5	69.95601	14.93023*	0.002272*	-0.411640*	-0.085790	-0.280243*
6	73.23255	6.187450	0.002286	-0.405430	-0.020335	-0.250142
7	75.61518	4.458489	0.002318	-0.391547	0.052793	-0.212369
8	77.22956	2.993179	0.002367	-0.371069	0.132516	-0.168001

\* indicates lag order selected by the criterion  
LR: sequential modified LR test statistic (each test at 5% level)  
FPE: Final prediction error  
AIC: Akaike information criterion  
SC: Schwarz information criterion  
HQ: Hannan-Quinn information criterion

\* indicates lag order selected by the criterion  
LR: sequential modified LR test statistic (each test at 5% level)  
FPE: Final prediction error  
AIC: Akaike information criterion  
SC: Schwarz information criterion  
HQ: Hannan-Quinn information criterion

**Figure5: Lag order Selection (India and Brazil)**

Once the lag relationships have been strongly established, the subsequent VAR Lag Exclusion Wald Tests proved the importance of both the lag orders with near zero significant level. The outcome of the tests (Figure 6) for both India and Brazil has been immensely substantial for both first and second lag order resulting in the requirement to consider both.

**VAR Lag Exclusion Wald Tests**

Date: 01/15/20 Time: 12:55  
Sample: 1 180  
Included observations: 177

Chi-squared test statistics for lag exclusion:  
Numbers in [ ] are p-values

	RFDI	RNIFTY	Joint
Lag 1	64.59714 [ 0.0000]	1.774004 [ 0.4119]	67.43393 [ 0.0000]
Lag 2	13.43289 [ 0.0012]	0.682807 [ 0.7108]	14.46094 [ 0.0060]
df	2	2	4

**VAR Lag Exclusion Wald Tests**

Date: 01/15/20 Time: 13:22  
Sample: 1 242  
Included observations: 239

Chi-squared test statistics for lag exclusion:  
Numbers in [ ] are p-values

	RFDI	RBOV	Joint
Lag 1	83.96043 [ 0.0000]	0.882785 [ 0.6431]	84.21926 [ 0.0000]
Lag 2	34.31719 [ 0.0000]	1.767773 [ 0.4132]	37.21293 [ 0.0000]
df	2	2	4

**Figure6: VAR Lag Exclusion Wald Test**

Further, the Granger Causality / Block Exogeneity tests were performed to obtain possibility of bi-directional causality between the parameters under consideration i.e. FDI and benchmark stock exchanges. The high probability values (Figure 7) for both Brazil and India signify the non-causality (bidirectional) between the indicators. Hence the variables have been proved to be Block Exogenous.

VAR Granger Causality/Block Exogeneity Wald Tests

Date: 01/15/20 Time: 12:56

Sample: 1 180

Included observations: 177

VAR Granger Causality/Block Exogeneity Wald Tests

Date: 01/15/20 Time: 13:23

Sample: 1 242

Included observations: 239

Dependent variable: RFDI

Excluded	Chi-sq	df	Prob.
RNIFTY	0.871746	2	0.6467
All	0.871746	2	0.6467

Dependent variable: RFDI

Excluded	Chi-sq	df	Prob.
RBOV	1.795050	2	0.4076
All	1.795050	2	0.4076

Dependent variable: RNIFTY

Excluded	Chi-sq	df	Prob.
RFDI	0.044052	2	0.9782
All	0.044052	2	0.9782

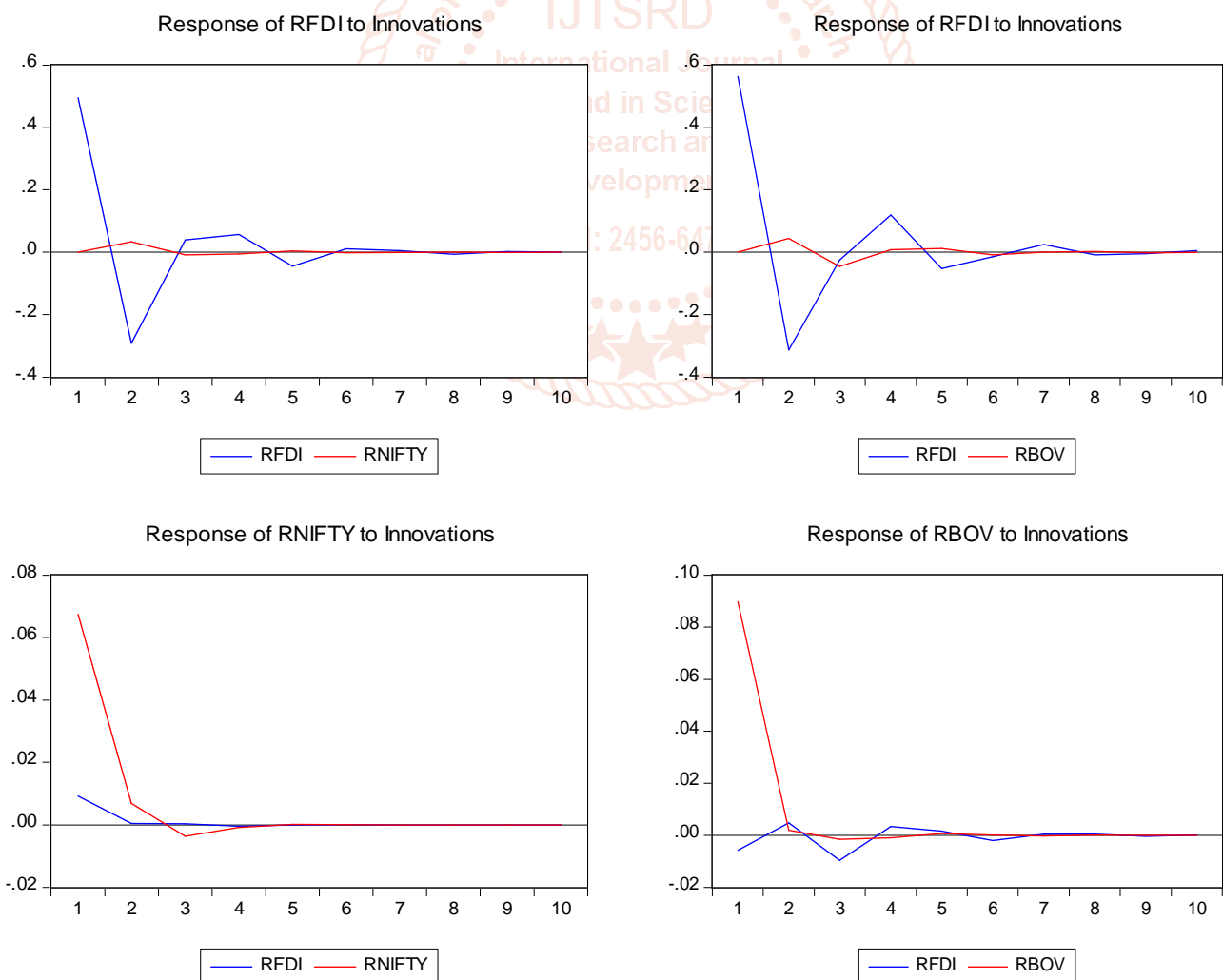
Dependent variable: RBOV

Excluded	Chi-sq	df	Prob.
RFDI	4.072619	2	0.1305
All	4.072619	2	0.1305

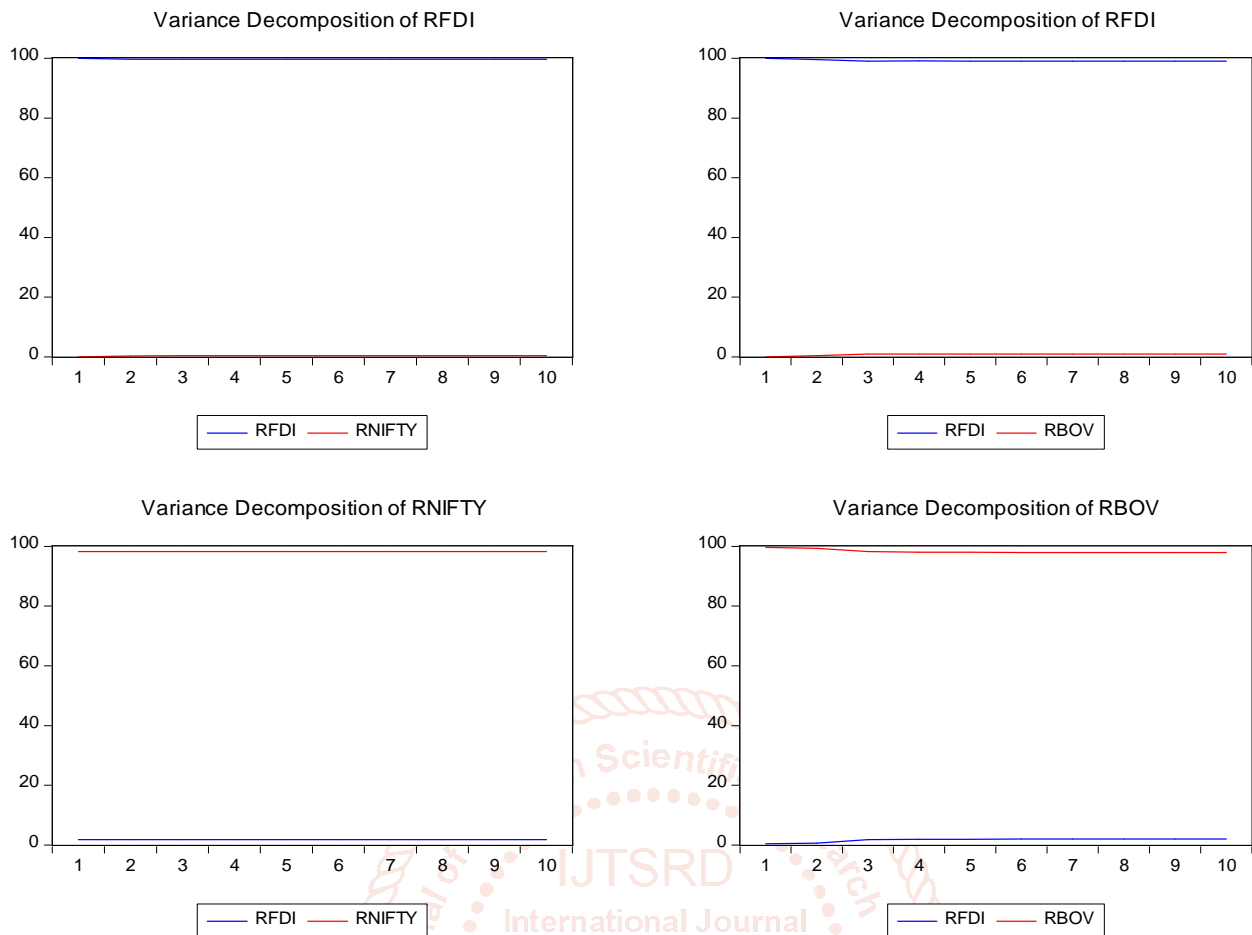
**Figure7: VAR Granger Causality / Block Exogeneity Wald test**

Subsequent Impulse tests have been performed on the block exogenous variables resulting in understanding the impact of impulses and shocks on both the parameters (Figure 8). It was significantly established that the shock impact on benchmark stock exchange returns have been considerably higher than that on FDI. This reemphasizes the volatility of the stock index.

Response to Cholesky One S.D. (d.f. adjusted) Innovations Response to Cholesky One S.D. (d.f. adjusted) Innovations

**Figure8: Impulse test on FDI and Stock Index for India and Brazil**





**Figure9: Variance Decomposition test on FDI and Stock Index for India and Brazil**

Subsequent Variance Decomposition test (Figure 9) proves the very fact that the variances are essentially dependent on their own variances and abysmally lesser on the exogenous ones. This strengthens the veracity of the outcome model. The VAR models have been established for both India and Brazil and the outcome for future forecasting is depicted in the equations below:

VAR Model - Substituted Coefficients for India:

$$\begin{aligned} \text{RFDI} &= -0.598142633806 \cdot \text{RFDI}(-1) - 0.274923383127 \cdot \text{RFDI}(-2) + 0.497049449968 \cdot \text{RNIFTY}(-1) + 0.116287028995 \cdot \text{RNIFTY}(-2) - 0.0263652136698 \\ \text{RNIFTY} &= -0.000939360637667 \cdot \text{RFDI}(-1) + 0.00126210867956 \cdot \text{RFDI}(-2) + 0.102347593394 \cdot \text{RNIFTY}(-1) - 0.0636465235202 \cdot \text{RNIFTY}(-2) - 0.00975863292668 \end{aligned}$$

VAR Model - Substituted Coefficients for Brazil:

$$\begin{aligned} \text{RFDI} &= -0.549838650078 \cdot \text{RFDI}(-1) - 0.357242400488 \cdot \text{RFDI}(-2) + 0.494600187643 \cdot \text{RBOV}(-1) - 0.243774734631 \cdot \text{RBOV}(-2) - 0.0179231020433 \\ \text{RBOV} &= 0.00864233060173 \cdot \text{RFDI}(-1) - 0.0126855167458 \cdot \text{RFDI}(-2) + 0.0217941211195 \cdot \text{RBOV}(-1) - 0.0223701136941 \cdot \text{RBOV}(-2) - 0.010743872892 \end{aligned}$$

These equations not only help to justify and understand the relationship between the parameters but also guide us to forecast the movement of benchmark stock exchanges based on the available FDI trend and its past contribution.

### 3.2. Detailed Case Study for India

As we were focused in establishing the causal relationship and forecasting possibilities between FDI and stock market returns for both India and Brazil considering its significant contribution in global growth potential, we have exclusively analyzed Indian scenario with an additional contributory parameter of External Commercial Borrowing (ECB).

Included observations: 176 after adjustments  
Trend assumption: Linear deterministic trend  
Series: RFDI RECB RNIFTY  
Lags interval (in first differences): 1 to 2

#### Unrestricted Cointegration Rank Test (Trace)

Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	0.05 Critical Value	Prob.**
None *	0.488790	272.0012	29.79707	0.0000
At most 1 *	0.455693	153.9097	15.49471	0.0000
At most 2 *	0.233748	46.85903	3.841466	0.0000

Trace test indicates 3 cointegrating eqn(s) at the 0.05 level

\* denotes rejection of the hypothesis at the 0.05 level

\*\*MacKinnon-Haug-Michelis (1999) p-values

#### Unrestricted Cointegration Rank Test (Maximum Eigenvalue)

Hypothesized No. of CE(s)	Eigenvalue	Max-Eigen Statistic	0.05 Critical Value	Prob.**
None *	0.488790	118.0915	21.13162	0.0000
At most 1 *	0.455693	107.0507	14.26460	0.0000
At most 2 *	0.233748	46.85903	3.841466	0.0000

Max-eigenvalue test indicates 3 cointegrating eqn(s) at the 0.05 level

\* denotes rejection of the hypothesis at the 0.05 level

\*\*MacKinnon-Haug-Michelis (1999) p-values

**Figure10: Cointegration Rank Test and Serial Correlation test of NIFTY 500 index with FDI and ECB**

The outcome from the Cointegration test (Figure 10) was clearly highlighting the interdependence between the endogenous and exogenous forces. The hypothesis of 'no correlation at lag' has been directly rejected for the first three lag orders. It emphasises significant correlation up to third lag. The VAR Exclusion Wald test was performed to justify the impossibility to exclude both the first and second order lag.

### 3.3. Source of Data

The above analysis was performed with the data available at various related forums namely World Bank and CEIC data portal. CEIC data portal was essential to obtain movement of benchmark stock exchanges. FDI data was obtained from CEIC database and verified from the government portals of respective countries. While analyzing the impact study, we considered the log of the variables with its first difference.

### 3.4. Scope and limitations of research

Further, it is obvious that detailed analysis of more indicators namely portfolio or institutional investments would have added more values to the paper. However, the parameters considered to gauge the coherent relationship between the index return with foreign investment over the years were of pivotal importance due to their correlation established through detailed statistical modeling. Still the purpose of the paper has been met with an original impact study on the said parameters.

### 4. Conclusion

FDI, as we all know, is not only foreign contribution in value addition of domestic economy through equity investment, but also has significant role in guiding the behaviour of domestic investors as well. All these investments reflect the

VAR Residual Serial Correlation LM Tests

Date: 01/15/20 Time: 14:22

Sample: 1 242

Included observations: 177

Null hypothesis: No serial correlation at lag

Lag	LRE* stat	df	Prob.	Rao F-stat	df	Prob.
1	17.05379	9	0.0479	1.918588	(9, 401.7)	0.0479
2	20.77955	9	0.0137	2.348600	(9, 401.7)	0.0137
3	33.43998	9	0.0001	3.839715	(9, 401.7)	0.0001
4	3.677873	9	0.9313	0.406967	(9, 401.7)	0.9313
5	6.211243	9	0.7186	0.889448	(9, 401.7)	0.7186
6	10.23139	9	0.3321	1.141350	(9, 401.7)	0.3321
7	2.447067	9	0.9823	0.270363	(9, 401.7)	0.9823
8	2.630296	9	0.9772	0.290673	(9, 401.7)	0.9772
9	10.52880	9	0.3094	1.174960	(9, 401.7)	0.3094
10	11.47078	9	0.2448	1.281577	(9, 401.7)	0.2448
11	14.22162	9	0.1147	1.594345	(9, 401.7)	0.1147
12	7.284145	9	0.6076	0.809614	(9, 401.7)	0.6076
13	10.76729	9	0.2920	1.201930	(9, 401.7)	0.2920
14	20.67824	9	0.0142	2.336856	(9, 401.7)	0.0142
15	6.913147	9	0.6462	0.768026	(9, 401.7)	0.6462

VAR Lag Exclusion Wald Tests

Date: 01/15/20 Time: 13:49

Sample: 1 242

Included observations: 177

Chi-squared test statistics for lag exclusion:  
Numbers in [] are p-values

	RFDI	RECB	RNIFTY	Joint
Lag 1	63.54937 [0.0000]	95.95311 [0.0000]	2.243716 [0.5234]	163.3916 [0.0000]
Lag 2	13.44823 [0.0038]	28.96242 [0.0000]	1.118375 [0.7726]	44.29398 [0.0000]
df	3	3	3	9

health of benchmark stock exchanges. We have analyzed the relationship of FDI with stock index for India and Brazil- two key EMDCs and major destinations of FDI inflows. These FDI inflows subsequently impacted the movement of stock market in these countries. The paper assessed the importance of these foreign contributions in channelizing the investor behaviour. The established relationship is not only reiterating the fact of existence of global market as a whole but also the importance of trickle down effect due to significantly correlated liberalized economy. The established Cointegration between variables in Indian context has essentially proved the role of External Commercial Borrowings in the movement of stock market. The inflow of foreign money doesn't only change the investor behaviour, but also increases global confidence. This increased confidence has systemic relationship in perpetual investment in those potential markets. The same has been reiterated through our study and the relationship has been established in terms of forecasting model to project future index movement.

### References

- [1] Adjasi, Delali. and Yartey, Charles. (2007), "Stock Market Development in Sub-Saharan Africa: Critical Issues and Challenges", IMF working paper, Vol-07-209.
- [2] Chalapati, Rao KS., Murthy, MR. and KVK. Ranganathan (1999), "Foreign Institutional Investment and the Indian Stock Markets", Journal of Indian School of Political Economy, Vol- 11-4, pp-623-647.
- [3] Demircuc-Kunt, A. and R. Levine (1996), "Stock Market Development and Financial Intermediaries: Stylized Facts", World Bank Economic Review, Vol-10-2.

- [4] Garcia, V.F. and L. Liu (1999), "Macroeconomic Determinants of Stock Market Development" ,Journal of Applied Economics, Vol- 2-1, pp-29-59.
- [5] Gupta, Kalra and Bagga, (2012),"Impact of foreign investments on stock market volatility: an evidence from Indian stock market", Ludhiana Management Association conference.
- [6] Jayachandran, G. and Seilan, A. ,(2010),"A Causal Relationship between Trade, Foreign Direct Investment and Economic Growth for India", International Research Journal of Finance and Economics, Vol- 42,pp-74-88.
- [7] Kumar, K.S.Venkateswara. and Devi, V. Rama(2012), "Impact of international financial flows on indian stock markets – an empirical study", Capital Markets Conference- XI, Indian Institute of Capital Markets.
- [8] Kumar, S.S. (2002),"Indian stock market in international diversification: An FIIs perspective",Indian Journal of Economics ,Vol- 32-7, pp-85-102.
- [9] Pandey, Rahul.,(2009),"FII investments and its impact on Indian stock market" ASIAN JOURNAL OF MANAGEMENT RESEARCH, Vol-6, pp-487-496.
- [10] Pekarskienea, Irena. and Susnieneb, Rozita. (2015), "Features of foreign direct investment in the context of globalization", 20th International Scientific Conference Economics and Management

